

1. BEST VALUE AWARD -- TOTAL COST OF OWNERSHIP (L-1.4) (May 2021)

In conjunction with the current revision of document 0106, Request For Proposal Instructions, Offeror's proposal will be evaluated based on the following Total Cost of Ownership (TCO) criteria to determine Buyer's best value.

Buyer will conduct a Risk Assessment that takes into consideration inputs from the following three areas: (1) supplier performance risks based on Supplier Performance Index (SPI); (2) Supply Chain Risk Management (SCRM) software; and (3) Supply Chain Risks.

Buyer will then determine the Supplier Health Score (SHS) using the following SHS formula which is a weighted score based on the Risk Assessment inputs:

$SHS = SPI (40\%) + SCRM \text{ software } (20\%) + \text{ and Supply Chain Risks } (40\%)$

Buyer will then calculate the best value based on the following TCO formula below:

$TCO = \text{Quoted Price} \times \text{Volume} / SHS$